

Burton W. Hancock

100 North 27th, #650  
Billings, Montana 59101

August 18, 2000

John R. Baza  
Utah Division of Oil, Gas, & Mining  
1594 West North Temple, Suite 1210  
P.O. Box 145801  
Salt Lake City, Utah 84114-5801

Re: EXCEPTION LOCATION REQUEST

Dear Mr. Baza:

I hereby request an exception location for the Federal No. 17-12 well located in the NE $\frac{1}{4}$ SW $\frac{1}{4}$  Sec 17 ~~35~~-T17s-R25E, Grand County, Utah. The exception is needed for geologic and topographic reasons.

Section 17 is all one lease with the same leasehold interest in the offset well, No. 35, as in the proposed No. 17-12. I operate the No. 35 well and will operate the no. 17-12 well, which I plan to drill in early October.

Sincerely,

  
BURTON W. HANCOCK

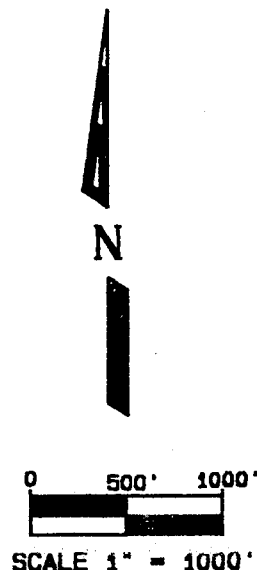
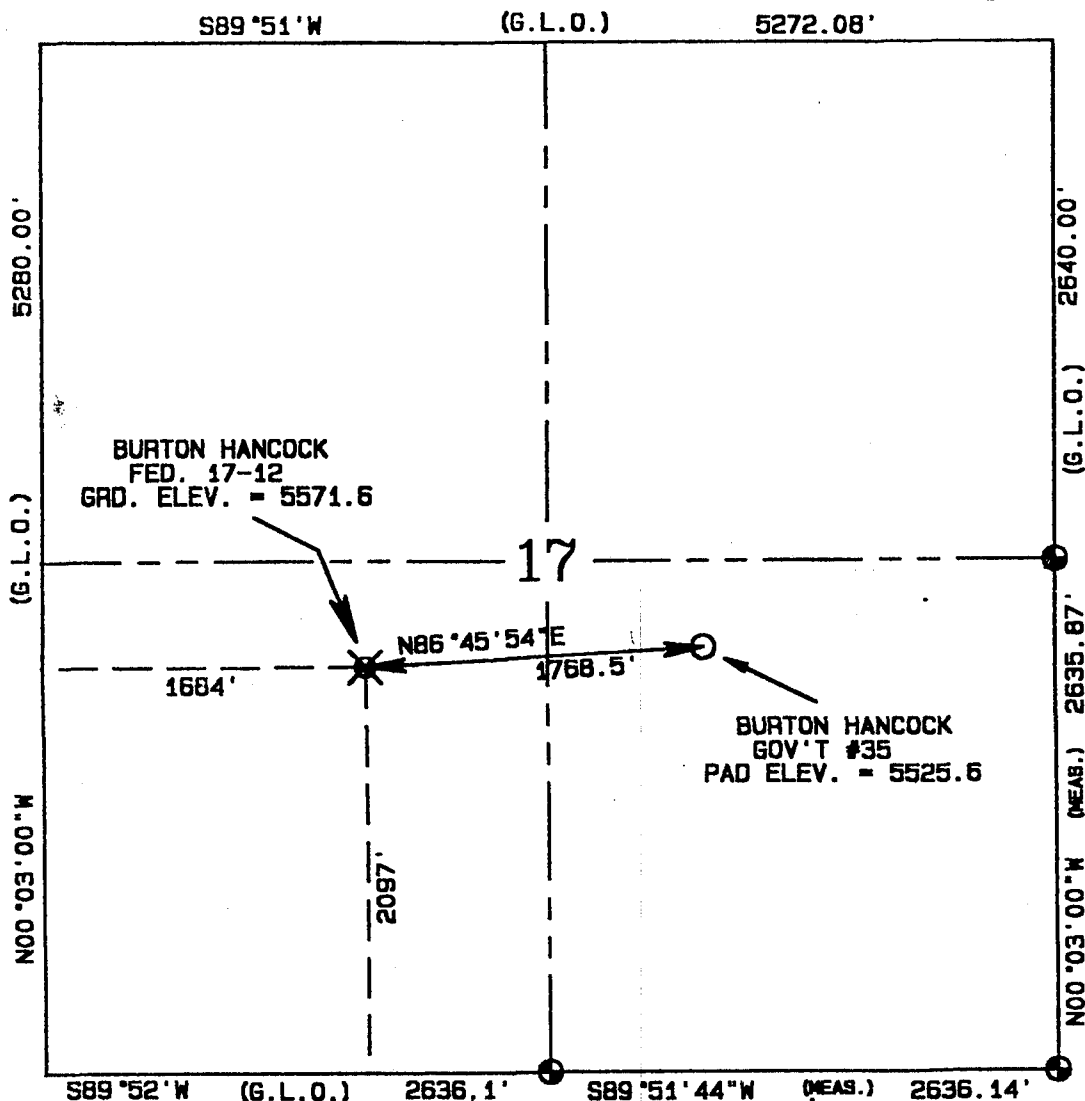
attachment

cc: BLM Moab  
Joe Dyk  
Jim Routson

**RECEIVED**

AUG 24 2000

DIVISION OF  
OIL, GAS AND MINING



### LEGEND

- G.L.O. BRASS CAP
- ⊗ SET #5 REBAR

**RECEIVED**

AUG 24 2000

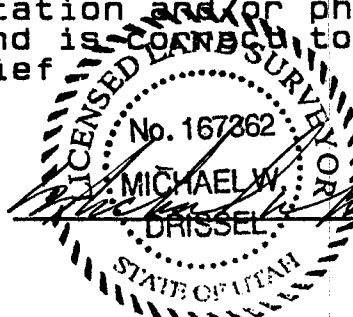
DIVISION OF  
OIL, GAS AND MINING

### WELL LOCATION

2097 FT. FSL - 1684 FT. FWL  
SECTION 17, T17S, R25E, S.L.B. & M.  
GRAND COUNTY, UTAH

### SURVEYOR'S STATEMENT

I, MICHAEL W. DRISSEL, a registered Land Surveyor in the State of Utah, do hereby state that the well location shown hereon was staked on the ground based on existing monumentation and/or physical evidence found in the field and is correct to the best of my knowledge, and belief.



3-31-00

**D H SURVEYS INC**

118 OURAY AVE.  
Grand Junction, CO. 81501-6572  
970-245-8749

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

## APPLICATION FOR PERMIT TO DRILL OR DEEPEN

## 1a. TYPE OF WORK

DRILL ☒DEEPEN ☐

## b. TYPE OF WELL

OIL  
WELL ☐GAS  
WELL ☒OTHER ☐SINGLE  
COLUMN ☐MULTIPLE  
COLUMN ☐

## 2. NAME OF OPERATOR

Burton W. Hancock

## 3. ADDRESS AND TELEPHONE NO.

P. O. Box 989 Billings, MT 59103

## 4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)

At surface 1684' FWL 2097' FSL Section 17 4354431N  
657239E  
At proposed prod. zone

## 14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE

23 miles Northwest of Mack, Colorado

## 15. DISTANCE FROM PROPOSED

LOCATION TO NEAREST  
PROPERTY OR LEASE LINE, FT.  
(Also to nearest strip unit line, if any)

1684'

## 16. DISTANCE FROM PROPOSED LOCATION

TO NEAREST WELL, DRILLING, COMPLETED,  
OR APPLIED FOR, ON THIS LEASE, FT.

1769' (Govt 35)

## 18. PROPOSED DEPTH

4000 ft

## 19. ELEVATIONS (Show whether DF, RT, GR, etc.)

5569' GR

## 8. LEASE DESIGNATION AND SERIAL NO.

U-05003

## 9. IF INDIAN, ALLOTTEE OR TRIBE NAME

N/A

## 7. UNIT AGREEMENT NAME

N/A

## 6. FARM OR LEASE NAME WHEN NO.

Federal No. 17-12

## 5. APWELLING

43-019-3/382

## 10. FIELD AND FOOT, OR WILDCAT

Stateline

11. SEC., T., R., W., OR BLE.  
AND SURVEY OR AREA

NESW Sec 17 T17S R25E

## 12. COUNTY OR PARISH 13. STATE

Grand

UT

17. NO. OF ACRES ASSIGNED  
TO THIS WELL

160 acres

## 20. ROTARY OR CABLE TOOLS

Rotary

## 22. APPROX. DATE WORK WILL START

August 22, 2000

## PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	CASING SIZE (K-55)	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
11"	8 5/8" K-55	24#	300'	115 cu 'C'
7 7/8"	4 1/2" K-55	16.5#	4000'	225 cu 10.2 Thixotropic

See attached plan

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DIVISION OF  
OIL, GAS AND MININGFLARING OR VENTING OF  
GAS IS SUBJECT TO NTL 4-A  
Dated 1/1/80

CONDITIONS OF APPROVAL ATTACHED

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on sub-surface locations and measured and true vertical depths. Give blowout prevention program, if any.

SIGNED: [Signature] TITLE Petroleum Engineer DATE May 30, 2000

(This space for Federal or State office use)

PERMIT NO. 43-019-3/382

APPROVAL DATE

Application approval does not warrant or verify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.  
CONDITIONS OF APPROVAL, IF ANY:

/S/ WILLIAM C. STRINGER

Assistant Field Manager,  
Division of Resources

AUG 31 2000

APPROVED BY

TITLE

DATE

\*See Instructions On Reverse Side

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make in any department or agency of the United States any false statement or fraudulent statement.

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

## APPLICATION FOR PERMIT TO DRILL OR DEEPEN

## 1a. TYPE OF WORK

DRILL ☒DEEPEN ☐

## b. TYPE OF WELL

OIL  
WELL ☐GAS  
WELL ☒

OTHER

SINGLE  
RUM ☐MULTIPLE  
RUM ☐

## 2. NAME OF OPERATOR

Burton W. Hancock

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LOCATION TO NEAREST  
PROPERTY OR LEASE LINE, FT.  
(Also to nearest drilg. unit line, if any)

1684'

## 16. NO. OF ACRES IN LEASE

1006.48 acres

17. NO. OF ACRES ASSIGNED  
TO THIS WELL

160 acres

18. DISTANCE FROM PROPOSED LOCATION  
TO NEAREST WELL, DRILLING, COMPLETED,  
OR APPLIED FOR, ON THIS LEASE, FT.

1769' (Govt 35) 4000 ft

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500' fr. u/Boundary + 200' tolerance

\*2000 fr. other wells  
(200' tolerance admin appt.)\*1768.5 fr. 43-019-30224  
#35Loc.  
Ex. 13-6 (17)

Need add'l info.

## CONDITIONS OF APPROVAL ATTACHED

Give data on present productive zone and proposed new productive zone. If proposal is to drill or  
true vertical depths. Give blowout prevention program, if any.TITLE Petroleum Engineer DATE May 30, 2000

(This space for Federal or State office use)

PERMIT NO.

43-019-31382

APPROVAL DATE

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CONDITIONS OF APPROVAL, IF ANY:

/S/ WILLIAM C. STRINGER

Assistant Field Manager,  
Division of Resources

AUG 31 2000

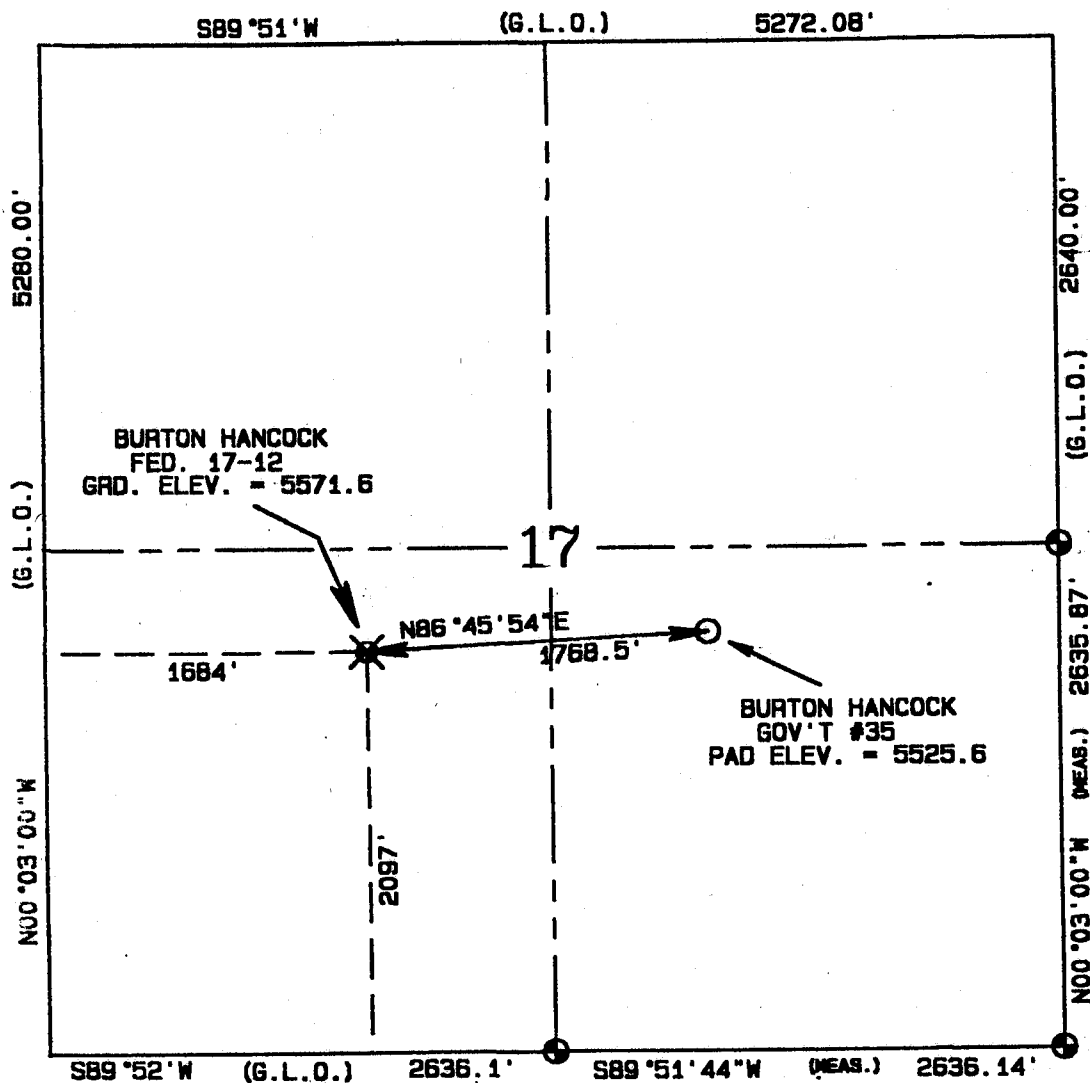
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TITLE

DATE

\*See Instructions On Reverse Side

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United States any false statement or fraudulent statement.



0 500' 1000'  
SCALE 1" = 1000'

### LEGEND

- G.L.O. BRASS CAP
- ⊗ SET #5 REBAR

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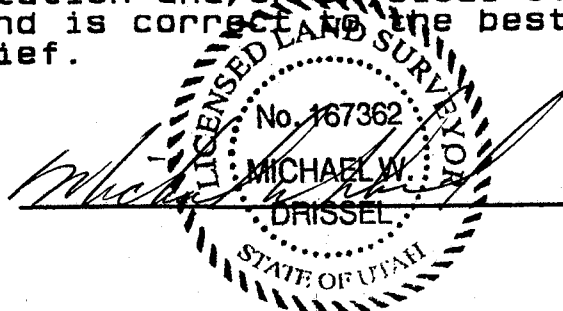
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DIVISION OF  
OIL, GAS AND MINING

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3-31-00

**D H SURVEYS INC**

118 OURAY AVE.  
Grand Junction, CO. 81501-8572  
970-245-8749

Burton W. Hancock  
Federal No. 17-12  
Lease U-05003  
NE SW Section 17 T17S, R25E  
Grand County, Utah

CONDITIONS OF APPROVAL

Approval of this application does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Be advised that Burton W. Hancock is considered to be the operator of the above well and is responsible under the terms and conditions of the lease for the operations conducted on the leased lands.

Bond coverage for this well is provided by UT 0270 (Principal - Burton W. Hancock) via surety consent as provided for in 43 CFR § 3104.2.

This office will hold the aforementioned operator and bond liable until the provisions of 43 CFR § 3106.7-2 continuing responsibility are met.

This permit will be valid for a period of one year from the date of approval. After permit termination, a new application must be filed for approval.

All lease operations will be conducted in full compliance with applicable regulations (43 CFR § 3100), Onshore Oil and Gas Orders, lease terms, notices to lessees, and the approved plan of operations. The operator is fully responsible for the actions of his subcontractors. A copy of these conditions and the approved plan will be made available to field representatives to insure compliance.

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A. DRILLING PROGRAM

1. There shall be three bleed lines coming off of the choke manifold. Only two lines are shown on the choke manifold schematic provided in the APD. The third line should come off the "T" where the pressure gauge is shown. Other than the choke manifold, the proposed BOPE is in a 2M configuration, and is adequate for this depth in this area. Installation, testing and operation of the system shall be in conformance with Onshore Oil and Gas Order No. 2.
2. The air drilling requirements outlined in Onshore Oil and Gas Order No. 2, part III.E., Special Drilling Operations, shall be followed.
3. Concurrent APD approval from the State of Utah, Division of Oil, Gas & Mining is required before conducting any surface disturbing activities.

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B. SURFACE USE PLAN

1. Surface disturbance and vehicular travel will be limited to the approved location and access route. Any additional area needed will be approved in advance.
2. To minimize the amount of fugitive dust and spray escaping from the blooie pit, the blooie line will be directed into a sloped bank of soil material.
3. All wells, whether drilling, producing, suspended, or abandoned, will be identified in accordance with 43 CFR 3162.6. When the well is abandoned, the abandonment marker must be at least four feet above restored ground level and must be inscribed with the following: operator name, lease number, well name and surveyed description (township, range, section and either quarter-quarter or footages).
4. The operator shall be responsible for weed control on the disturbed areas of the well site and access. Prior to spraying weeds on public lands, the operator will submit a Pesticide Use Proposal (PUP) to BLM for review and approval of the herbicide and methods to be used.
5. In the event the well pad or road is graveled or surfaced, the material will be removed prior to recontouring the surface for rehabilitation.
6. During reclamation, the area will be scarified as specified in the APD. The scarified areas will be left in a rough condition to retain moisture, and the soils will be dry and loose prior to seeding. The areas will be broadcast seeded between October 1 and December 31 with the following mixture of pure live seed (PLS):

Indian ricegrass	3 pounds per acre
Russian wildrye	1 pound per acre
Crested wheatgrass	3 pounds per acre
Perennial mountain rye	2 pounds per acre
Fourwing saltbush	3 pounds per acre

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C. REQUIRED APPROVALS, REPORTS AND NOTIFICATIONS

Required verbal notifications are summarized in Table 1, attached.

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OIL, GAS AND MINING

Building Location- Contact the BLM Natural Resource Protection Specialist at least 48-hours prior to commencing construction of location.

Spud- The spud date will be reported to BLM 24-hours prior to spudding. Written notification in the form of a Sundry Notice (Form 3160-5) will be submitted to the Moab Field Office within 24-hours after spudding, regardless of whether spud was made with a dry hole digger or big rig.

Daily Drilling Reports- Daily drilling reports shall detail the progress and status of the well and shall be submitted to the Moab Field Office on a weekly basis.

Monthly Reports of Operations- In accordance with Onshore Oil and Gas Order No. 1, this well shall be reported on Minerals Management Service (MMS) Form 3160, "Monthly Report of Operations," starting the month in which operations commence and continuing each month until the well is physically plugged and abandoned. This report will be filed directly with MMS.

Sundry Notices- There will be no deviation from the proposed drilling and/or workover program without prior approval. "Sundry Notices and Reports on Wells" (Form 3160-5) will be filed, with the Moab Field Office, for approval of all changes of plans and subsequent operations in accordance with 43 CFR § 3162.3-2. Safe drilling and operating practices must be observed.

Drilling Suspensions- Operations authorized by this permit shall not be suspended for more than 30 days without prior approval of the Moab Field Office. All conditions of this approval shall be applicable during any operations conducted with a replacement rig.

Undesirable Events- Spills, blowouts, fires, leaks, accidents, or any other unusual occurrences shall be immediately reported to the BLM in accordance with requirements of NTL-3A.

Cultural Resources- If cultural resources are discovered during construction, work that might disturb the resources is to stop, and the Moab Field Office is to be notified.

First Production- Should the well be successfully completed for production, the Moab Field Office will be notified when the well is placed in producing status. Such notification may be made by phone, but must be followed by a sundry notice or letter not later than five business days following the date on which the well is placed into production.

A first production conference will be scheduled as soon as the productivity of the well is apparent. This conference should be coordinated through the Moab Field Office. The Moab Field Office shall be notified prior to the first sale.

Well Completion Report- Whether the well is completed as a dry hole or as a producer, "Well Completion and Recompletion Report and Log" (Form 3160-4) will be submitted to the Moab Field Office not later than thirty-days after completion of the well or after completion of operations being performed, in accordance with 43 CFR § 3162.4-1. Two copies of all logs, core descriptions, core analyses, well test data, geologic summaries, sample description, and all other surveys or data obtained and compiled during the drilling, workover, and/or completion operations, will be filed with Form 3160-4. When requested, samples (cuttings and/or samples) will be submitted to the Moab Field Office.

Venting/Flaring of Gas- Gas produced from this well may not be vented/flared beyond an initial, authorized test period of 30 days or 50 MMcf, whichever first occurs, without the prior, written approval of the Moab Field Office. Should gas be vented or flared without approval beyond the authorized test period, the well may be ordered shut-in until the gas can be captured or approval to continue the venting/flaring as uneconomic is granted. In such case, compensation to the lessor shall be required for that portion of the gas that is vented/flared without approval and which is determined to have been avoidably lost.

Produced Water- An application for approval of a permanent disposal method and location will be submitted to the Moab Field Office for approval pursuant to Onshore Oil and Gas Order 7.

Off-Lease Measurement, Storage, Commingling- Prior approval must be obtained from the Moab Field Office for off-lease measurement, off-lease storage and/or commingling (either down-hole or at the surface).

Plugging and Abandonment- If the well is completed as a dry hole, plugging instructions must be obtained from the Moab Field Office prior to initiating plugging operations.

A "Subsequent Report of Abandonment" (Form 3160-5) will be filed with the Moab Field Office within thirty-days following completion of the well for abandonment. This report will indicate where plugs were placed and the current status of surface restoration. Upon completion of approved plugging, a regulation marker will be erected in accordance with 43 CFR § 3162.6. Final abandonment will not be approved until the surface reclamation work required by the approved APD or approved abandonment notice has been completed to the satisfaction of the Moab Field Office or the appropriate surface managing agency.

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OIL, GAS AND MINING

TABLE 1

NOTIFICATIONS

Notify Jack Johnson at 435-259-2129 or Rich McClure at 435-259-2127 of the Moab Field Office for the following:

2 days prior to commencement of dirt work, construction and reclamation;

1 day prior to spudding;

50 feet prior to reaching the surface casing setting depth

If the people above cannot be reached, notify the Moab Field Office at (435) 259-2100. If unsuccessful, contact the person listed below.

Well abandonment operations require 24 hour advance notice and prior approval. In the case of newly drilled dry holes, verbal approval can be obtained by calling the Moab Field Office at (435) 259-2100. If approval is needed after work hours, you may contact the following:

Eric Jones, Petroleum Engineer

Office: (435) 259-2117

Home: (435) 259-2214

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SEP 05 2000

DIVISION OF  
OIL, GAS AND MINING

**WORKSHEET**  
**APPLICATION FOR PERMIT TO DRILL**

APD RECEIVED: 09/05/2000

API NO. ASSIGNED: 43-019-31382

WELL NAME: FEDERAL 17-12

OPERATOR: HANCOCK, BURTON W ( N0460 )

CONTACT: JOE DYK

PHONE NUMBER: 406-245-5077

**PROPOSED LOCATION:**

NESW 17 170S 250E

SURFACE: 2097 FSL 1684 FWL

BOTTOM: 2097 FSL 1684 FWL

GRAND

STATELINE ( 260 )

LEASE TYPE: 1-Federal

LEASE NUMBER: U-05003

SURFACE OWNER: Ø 1-Federal

**PROPOSED FORMATION:**

INSPECT LOCATN BY: / /

Tech Review	Initials	Date
Engineering		
Geology		
Surface		

**RECEIVED AND/OR REVIEWED:**

☒ Plat  
☒ Bond: Fed~~Y~~[1] Ind[] Sta[] Fee[]  
(No. UT-0270 )  
N Potash (Y/N)  
N Oil Shale (Y/N) \*190 - 5 (B)  
☒ Water Permit  
(No. Municipal )  
N RDCC Review (Y/N)  
(Date: \_\_\_\_\_ )  
N/A Fee Surf Agreement (Y/N)

**LOCATION AND SITING:**

\_\_\_\_ R649-2-3. Unit \_\_\_\_\_  
\_\_\_\_ R649-3-2. General  
\_\_\_\_ Siting: \_\_\_\_\_  
☒ R649-3-3. Exception  
☒ Drilling Unit  
Board Cause No: 13-6 (1) 160'  
Eff Date: 8-28-86  
Siting: 500' fr. drl. Unit Boundary & 2000' fr. of Lr wells.  
(200' ft. tolerance ea.)  
\_\_\_\_ R649-3-11. Directional Drill

COMMENTS: BLM Aprv. 8-31-2000

STIPULATIONS: ① FEDERAL APPROVAL



Utah Oil Gas and Mining

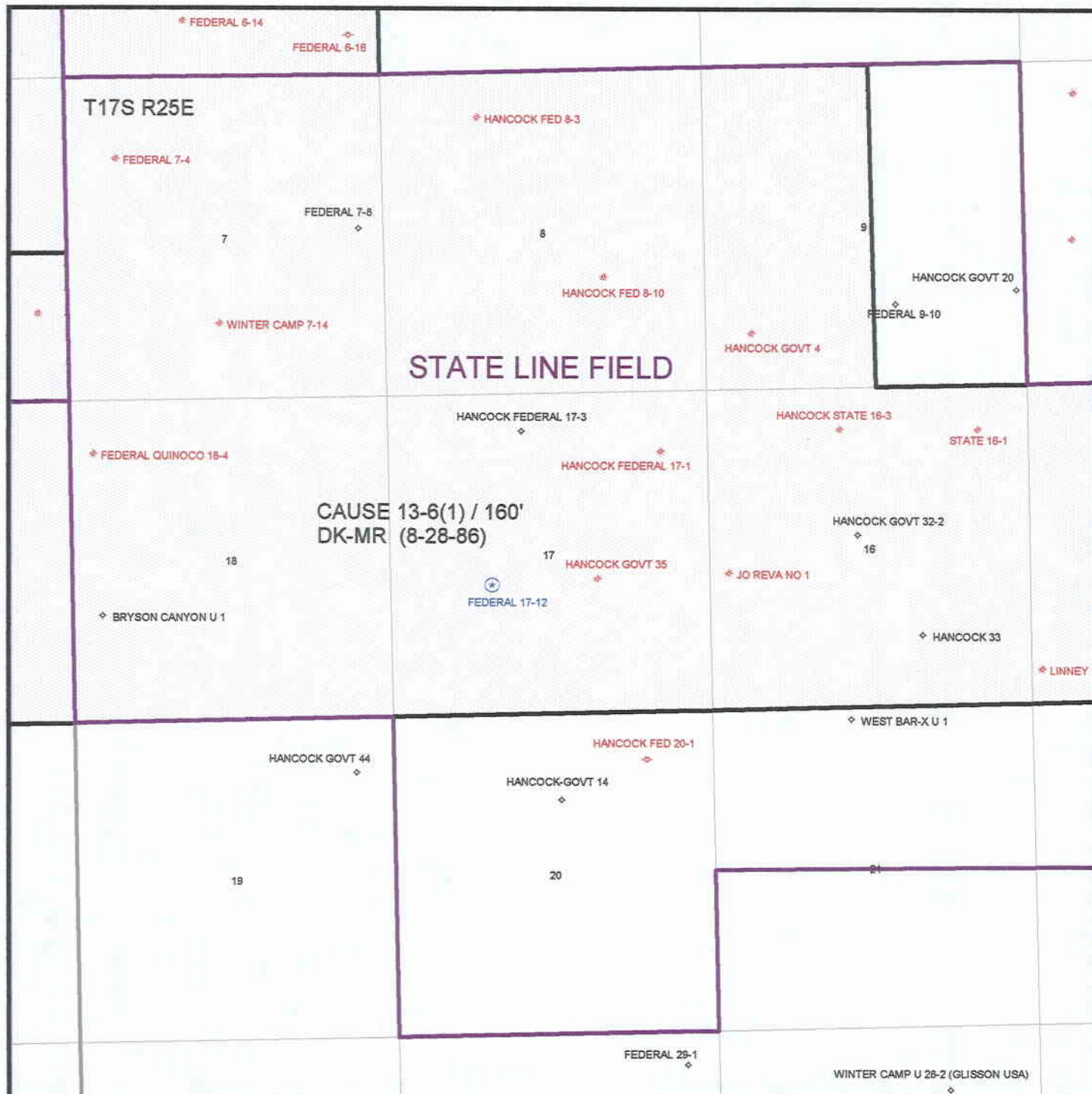
OPERATOR: HANCOCK, BURTON (N0460)

FIELD: STATE LINE (260)

SEC. 17, T17S, R25E,

COUNTY: GRAND

CAUSE: 13-6(1) / 160' &  
R649-3-3 / EX LOC



Moab Field Office  
82 East Dogwood  
Moab, Utah 84532

3162  
UTU05003  
UTU-062

JUN - 8 2000

Burton W. Hancock  
P. O. Box 989  
Billings, Montana 59103

Re: Application for Permit to Drill  
Well No. Federal 17-12  
NESE Sec. 17, T. 17 S., R. 25 E.  
Lease UTU05003  
Grand County, Utah

Gentlemen:

The above referenced application was received May 31, 2000. Your Application for Permit to Drill (APD) has been determined to be administratively complete.

A final decision on your APD will be made at the earliest date possible following completion of the required National Environmental Policy Act (NEPA) documentation. If you have any questions, please contact Marie McGann at (435) 259-2135.

Sincerely,

/s/ William Stringer

Assistant Field Manager  
Division of Resources

cc: Mr. Joel Dyk  
1360 Highway 6 & 50  
Loma, Colorado 81524

MMcGann:mm:6/5/2000

**RECEIVED**

SEP 11 2000

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OIL, GAS AND MINING

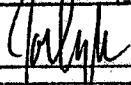
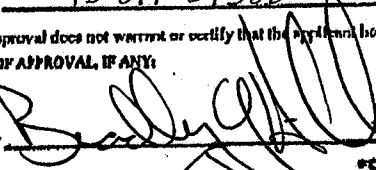
UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT(Other Instructions on  
Reverso side)FORM APPROVED  
OMB NO. 1004-0136  
Expires: February 28, 1995

## APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1. TYPE OF WORK DRILL <input checked="" type="checkbox"/> DEEPEN <input type="checkbox"/>		2. LEASE DESIGNATION AND SERIAL NO. U-05003																
3. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER <input type="checkbox"/> SINGLE <input type="checkbox"/> MULTIPLE <input type="checkbox"/>		3. IF INDIAN, ALLOTTEE OR TRIBE NAME N/A																
4. NAME OF OPERATOR Burton W. Hancock		4. UNIT AGREEMENT NAME N/A																
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(This space for Federal or State office use)PERMIT NO. 43-019-31382 APPROVAL DATE \_\_\_\_\_  
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CONDITIONS OF APPROVAL, IF ANY:APPROVED BY  **BRADLEY G. HILL**  
DECLARATION SPECIALIST III DATE 9/11/00

\*See Instructions On Reverse Side

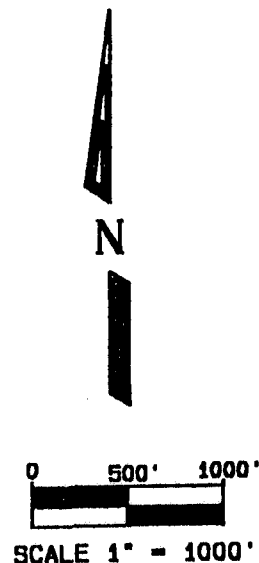
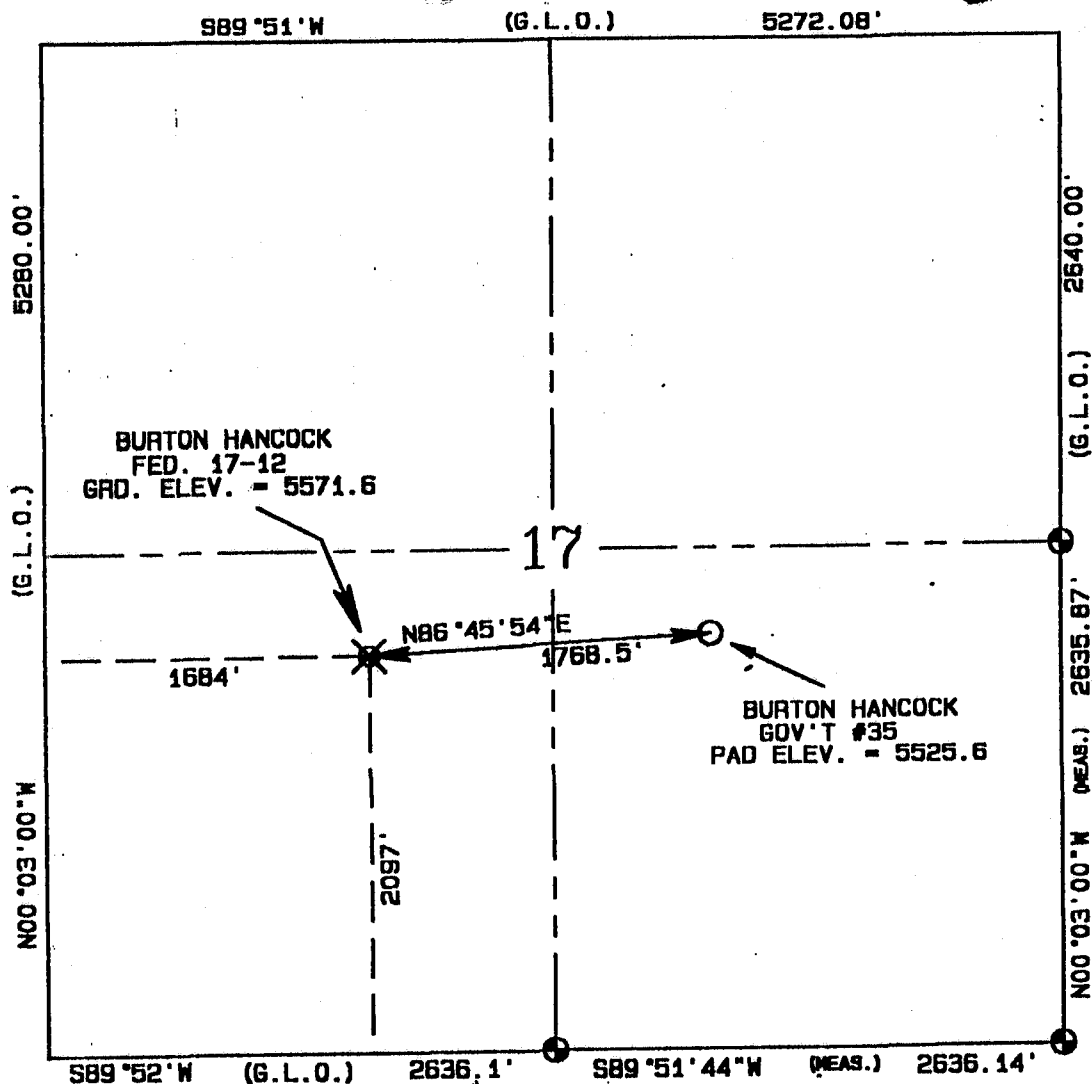
Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false statement or fraudulent claim.

Federal Approval of this  
Action is Necessary

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DIVISION OF  
OIL, GAS AND MINING



- LEGEND**
- G.L.O. BRASS CAP
  - ⊗ SET #5 REBAR

**WELL LOCATION**  
 2097 FT. FSL - 1684 FT. FWL  
 SECTION 17, T17S, R25E, S.L.B. & M.  
 GRAND COUNTY, UTAH

**SURVEYOR'S STATEMENT**

I, MICHAEL W. DRISEL, a registered Land Surveyor in the State of Utah, do hereby state that the well location shown hereon was staked on the ground based on existing monumentation and/or physical evidence found in the field and is correct to the best of my knowledge and belief.

*Michael W. Drisel*  
 LICENSED LAND SURVEYOR  
 No. 167362  
 MICHAEL W. DRISEL  
 STATE OF UTAH

3-31-00

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**D H SURVEYS INC.**  
 118 OURAY AVE.  
 Grand Junction, CO. 81501-8572  
 970-245-8749



Application for Permit to Drill  
Federal No. 17-12  
NESW Section 17, T17S-R25E  
Grand County, Utah

---

1. Surface formation is the Mancos shale.
2. Anticipated Geologic Markers: Mancos at surface, Dakota silt at 3621', Dakota sand at 3711', Morrison at 3836'.
3. Gas is anticipated in the Dakota and Morrison. No oil or other minerals are anticipated. No water sands are expected.
4. Proposed casing program: See item #23 of form 3160-3.
5. Pressure Control equipment: See attached Well Control Plan and schematic of contractor's BOP stack. BOP's will be tested prior to drilling out from surface casing and checked daily.
6. Air or mist drilling will be used to drill the surface hole and casing will be set and cemented with a rathole rig. Then the drilling rig will be moved in to air drill out under the surface casing.
7. Auxiliary Equipment: See Well Control Plan.
8. The electric logging program will consist of a DIL log from TD to the base of the surface casing and GR-CNL-FDC log on the bottom 1000 feet of the well. No cores or drill stem tests are planned.
9. No abnormal pressures or temperatures are anticipated. No poisonous gas is anticipated.
10. Anticipated spud date is August 22, 2000. Completion operations should commence within 30 days of drilling rig release.
11. Survey plats are attached.
12. The gas is not dedicated at this time.
13. Burton Hancock's Statewide Bond is UT\_\_\_\_\_.
14. The completion program will be designed after the logs have been evaluated.

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## WELL CONTROL PLAN

1. Surface casing: 8-5/8", 24#/ft, STC, K55 set at 300 feet and cemented back to surface with 115 sacks Class G + 3% CaCl<sub>2</sub> + 1/4 #/sk celloflake. (Yield is 1.18 cu ft/sk)
2. Casing head Flange: 8-5/8" by 4-1/2" 600 series casing head with two 2" 2000 psi outlets.
3. Blow out preventer: The drilling rig is equipped with a 10", 3000 psi double gate hydraulic Shaffer BOP (or equivalent) with drill pipe rams and blind rams to meet requirements for a 2000 psi stack as indicated in On Shore Order No. 2. All fill, kill, and choke lines will be a minimum of 2", 2000 psi WP. A rotating head will be used while air or mist drilling. A new rubber will be installed before drilling through the Dakota. Pipe rams and Hydril will be function tested daily and blind rams on each trip when out of the hole with drill string. BOP's will be tested to 2000 psi but not more than 70% of the casing burst pressure prior to drilling the surface casing shoe joint.
5. Anticipated bottom hole pressure gradient is less than 0.23 psi/ft. No abnormal temperatures or hydrogen sulfide gas are anticipated.

Burton Hancock

By:   
Joe Dyk, Consulting Petroleum Engineer

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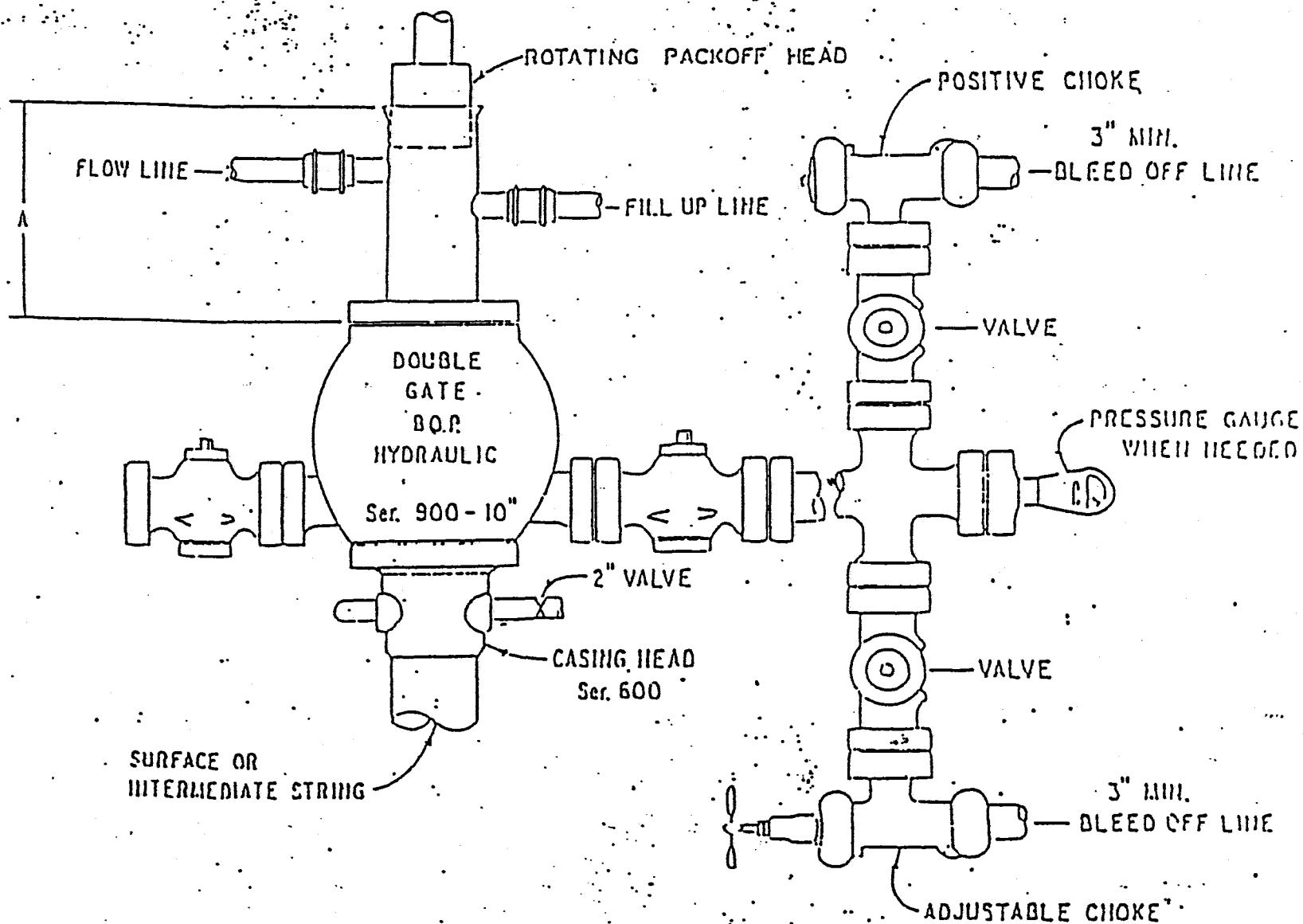


EXHIBIT I  
BLOWOUT PREVENTER DIAGRAM

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DIVISION OF  
OIL, GAS AND MINING

## SURFACE USE PLAN

Burton Hancock  
Federal No. 17-12  
NESW Sec. 17, T17S-R25E  
Grand County, Utah

### 1. EXISTING ROADS

See maps #1 and #2. This proposed well is located 23 miles from Mack, Colorado. Proceed 9.1 miles west of Mack on Highway 6 & 50. Turn right on 2 Road and go 4.2 miles to the State line. Continue 5.8 miles on 2 Road. Turn left at Y in road and go 2.4 miles to new well road. Turn north and go 0.4 miles to the well.

### 2. NEW ROADS

The proposed 0.4 miles of new road will be constructed with an 18 foot travel width. Total disturbance width will be 30 feet. All of the proposed access road is within the lease boundary. A cultural survey has been performed on the new road and location area. The topsoil will be wind rowed on the east side of the road.

### 3. LOCATION OF EXISTING WELLS

3 producing wells and 4 dry holes are located within a one mile radius. See map #3.

### 4. LOCATION OF PRODUCTION FACILITIES

Upon completion of the well as a producing gas well, sufficient facilities to handle gas production will be installed. This includes a heated separator, a meter run and an evaporation pit constructed with an 8' dia. Culvert buried 8' in the ground. A submittal in accordance with Onshore Order #7 will be completed at that time. All facilities will be painted Pinyon Green to blend in with the natural surroundings.

### 5. LOCATION AND TYPE OF WATER SUPPLY

Water will be pulled from the Ute water tap at Mack, Colorado.

*\* 9/11 municipal*

### 6. SOURCE OF CONSTRUCTION MATERIALS

No construction materials will be used other than native materials. Soils from cuts will be used as fills. Only upon completion will outside material be brought in if deemed necessary for production operations.

### 7. METHODS FOR HANDLING WASTE MATERIALS

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DIVISION OF  
OIL, GAS AND MINING

Cuttings will be buried in the reserve pit at cleanup. Garbage and other waste material will be contained in a trash cage which will be dumped at an approved sanitary land fill. Human waste will be contained in chemically treated porta-potties.

Drilling fluids will be contained in the reserve pit and left to dry out before reclamation of the pit. Flow back from completion operations will also be contained in the reserve pit. Oil will not be put in the reserve pit.

If the well is productive, produced water will be disposed of on site for 30 days or 90 days with the permission of the State Petroleum Engineer. After that time, application will be made for the approval of a permanent disposal method in compliance with the rules and regulations of the State of Utah and Onshore Order No. 7.

#### 8. ANCILLARY FACILITIES

A 2-7/8" welded steel surface pipeline will be laid across to the Hancock Government No 35 well approximately 1900 feet east of the Federal No. 17-12. Construction will commence upon approval of the Sundry notice for this line.

#### 9. WELLSITE LAYOUT

See plat #2 - Pit and pad layout

See plat #3 - Cross sections of pit and pad

This location will be constructed large enough to accommodate the drilling rig and associated equipment with allowance made for future completion and production equipment. In addition to the location indicated on the attached plat, it is proposed to remove existing grass and vegetation a radial distance of 75 feet from the reserve pit. This will act as a fire barrier in the event gas flaring while drilling is necessary.

Top soil will be stripped to a depth of 4" and stockpiled on the Southwest edge of the location. No top soil stripping will be done when soils are saturated to a depth of 3" or frozen below the stripping depth.

The reserve pit will be fenced on three sides prior to drilling activity and closed off on the fourth side after drilling is finished. 52" by 16' livestock panels will be used to fence the pit.

All construction activities will be confined to the minimum area necessary. The exterior boundaries of the construction area will clearly marked prior to any surface disturbing activities or vegetation removal.

All brush will be cleared prior to removing any soil and stockpiled on the north edge of the location and will be kept separate from the topsoil stockpiles. The brush will be used for mulch after the disturbed area has been re-seeded.

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OIL, GAS AND MINING

## 10. PLANS FOR RECLAMATION OF THE SURFACE

A biodegradable mulch may be required if soil erosion or vegetation establishment is determined to be a problem by the authorized officer on the access or location reclamation.

All disturbed areas will be seeded with the approved seed mixture. Seed tags will be submitted to the area manager within 30 days of seeding.

Seed bed will be prepared by contour cultivating 4 - 6" deep and drilling seed  $\frac{1}{2}$  to 1" deep following the contour. In areas that cannot be drilled, seed will be broadcast at 1.5 times the application rate and then dragged for cover.

Seeding will be completed after September 15, 2000 and prior to October 31, 2000, if feasible, but no later than the fall of 2001.

If the well is a producer:

Burton Hancock will upgrade and maintain access roads as necessary to prevent soil erosion and accommodate year round traffic. Areas unnecessary to production operations will be reshaped, cultivated on the contour, and seeded with the approved seed mixture with a drill  $\frac{1}{2}$  to 1" deep. Areas where seed cannot be drilled will be broadcast seeded at 1.5 times the approved application rate and dragged for seed cover. The top soil will be saved for use during final reclamation unless the site can be recontoured to blend with the natural topography as required for the final abandonment. Perennial vegetation will be established. Additional work will be required in the case of seeding failures. All permanent facilities will be painted Pinyon green to blend with the natural environment.

If the well is abandoned/dryhole:

Burton Hancock will restore the access road and location to blend with the natural topography. During reclamation of the site, fill material will be pushed into cuts and up over the back slope. No depressions will be left that could trap water or form ponds. Top soil will be distributed evenly over the location and seeding according to the approved seed mixture. The access road and location will be ripped or disked prior to seeding.

The area is considered to be satisfactorily reclaimed when:

- a) Soil erosion resulting from the operation has been stabilized.
- b) A vegetative cover at least equal to that present prior to disturbance and a plant species composition at least desirable as that present prior to disturbance has been established. Establishment of seeded species in the approved seed formula will be considered as acceptance.

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DIVISION OF  
OIL, GAS AND MINING

Additional work will be required until these conditions are satisfied.

## 11. SURFACE OWNERSHIP

All lands involving new construction are federal lands.

## 12. NOTIFICATIONS

Burton Hancock will contact the Grand Resource Area Manager at least 24 hours prior to commencing construction or maintenance of the access road and/or well pad.

Burton Hancock will immediately bring to the attention of the Grand Resource Area Manager any and all antiquities or other objects of historic or prehistoric ruins, artifacts, or fossils discovered as a result of operations under this permit. Burton Hancock will immediately suspend all activities in the area of the object and will leave such discoveries intact until told to proceed by the area manager. Notice to proceed will be based upon the evaluation of the cultural significance of the object. Evaluation will be by a qualified professional selected by the Area Manager from a federal agency insofar as practical. When not practical, Burton Hancock will follow the mitigation requirements set forth by the area manager concerning protection, preservation, or disposition of any sites or material discovered. In those situations where the area manager determines that data recovery and/or salvage excavations are necessary, Burton Hancock will bear the cost of such data recovery and/or salvage operations.

The Grand Resource Area Manager will be notified at least 24 hours prior to commencing reclamation work.

## 13. LESSEE'S OR OPERATOR'S REPRESENTATIVES AND CERTIFICATION

Joel V. Dyk  
1360 Highway 6 & 50  
Loma, Colorado 81524  
Office Phone: (970) 858-7546  
Home Phone: (970) 858-0536  
Cell Phone: (970) 250-9770

Jim Routson  
P. O. Box 3394  
Billings, Montana 59103  
Office Phone: (406) 245-5077  
Home Phone: (406) 656-4325

I hereby certify that I, or persons under my direct supervision, have inspected the proposed drillsite and access route; that I am familiar with the conditions that currently exist; that the statements made in this plan are, to the best of my knowledge, true and correct; and that the work associated with operations proposed herein will be performed by Lone Mountain Production Company and its contractors and subcontractors in conformity with this plan and the terms and conditions under which it is approved.

May 30, 2000  
Date

Joel V. Dyk  
Joel V. Dyk, Consulting Petroleum Engineer

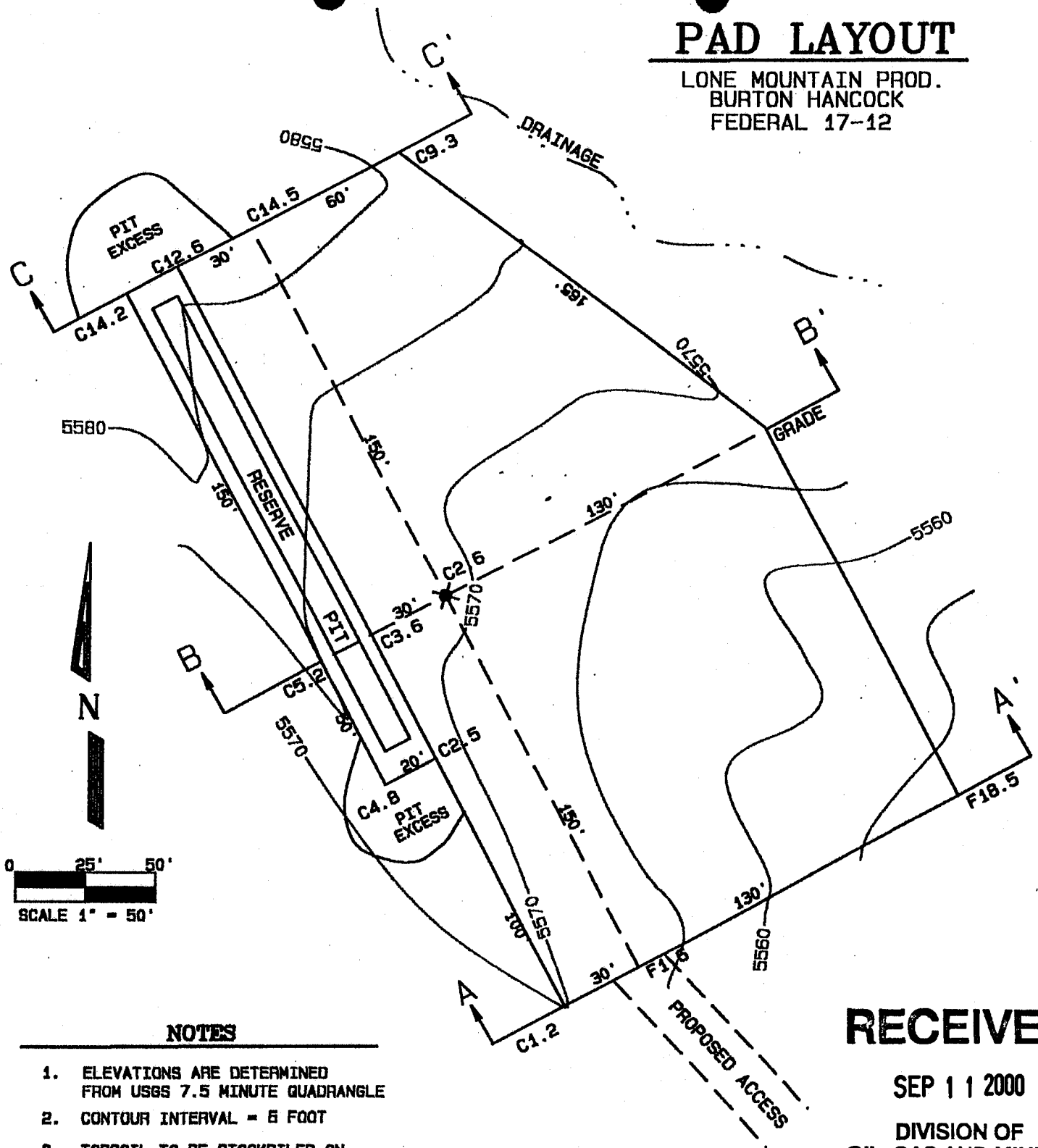
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DIVISION OF  
OIL, GAS AND MINING

# PAD LAYOUT

LONE MOUNTAIN PROD.  
BURTON HANCOCK  
FEDERAL 17-12



## NOTES

1. ELEVATIONS ARE DETERMINED FROM USGS 7.5 MINUTE QUADRANGLE
2. CONTOUR INTERVAL = 6 FOOT
3. TOPSOIL TO BE STOCKPILED ON EXTERIOR OF WELL PAD

REF. PT. SET 86 FEET WEST / EL. 5572.9  
REF. PT. SET 140 FEET SOUTH / EL. 5568.0

GRD. @ WELL HEAD ELEV. = 5571.6  
PROPOSED PAD ELEV. = 5569.0

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DIVISION OF  
OIL, GAS AND MINING

FILL = 8,000 CU. YDS.  
CUT = 8,200 CU. YDS

**D H SURVEYS INC.**

JOB NO. 244-00-06



# CROSS SECTIONS

LONE MOUNTAIN PROD.  
BURTON HANCOCK  
FEDERAL 17-12

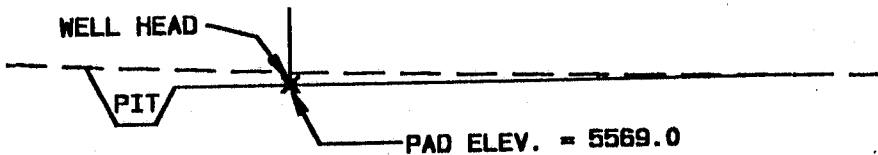
## SECTION A - A'

EXISTING GROUND

A cross-section diagram labeled 'SECTION A - A''. It shows a dashed line representing the 'EXISTING GROUND' profile, which slopes downward from left to right. A solid line represents a proposed structure, starting as a vertical line on the left, then following the ground profile, and finally sloping downward on the right.

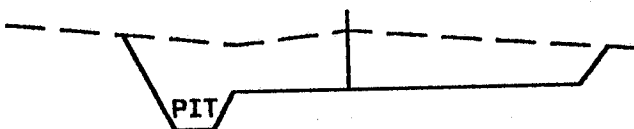
## SECTION B - B'

WELL HEAD  
PIT  
PAD ELEV. = 5569.0

A cross-section diagram labeled 'SECTION B - B''. It shows a dashed line representing the ground profile. A solid line shows a 'WELL HEAD' structure that dips into a 'PIT' before rising to a 'PAD ELEV. = 5569.0'.

## SECTION C - C'

PIT

A cross-section diagram labeled 'SECTION C - C''. It shows a dashed line representing the ground profile. A solid line shows a 'PIT' structure that dips into the ground and then rises back to the surface.

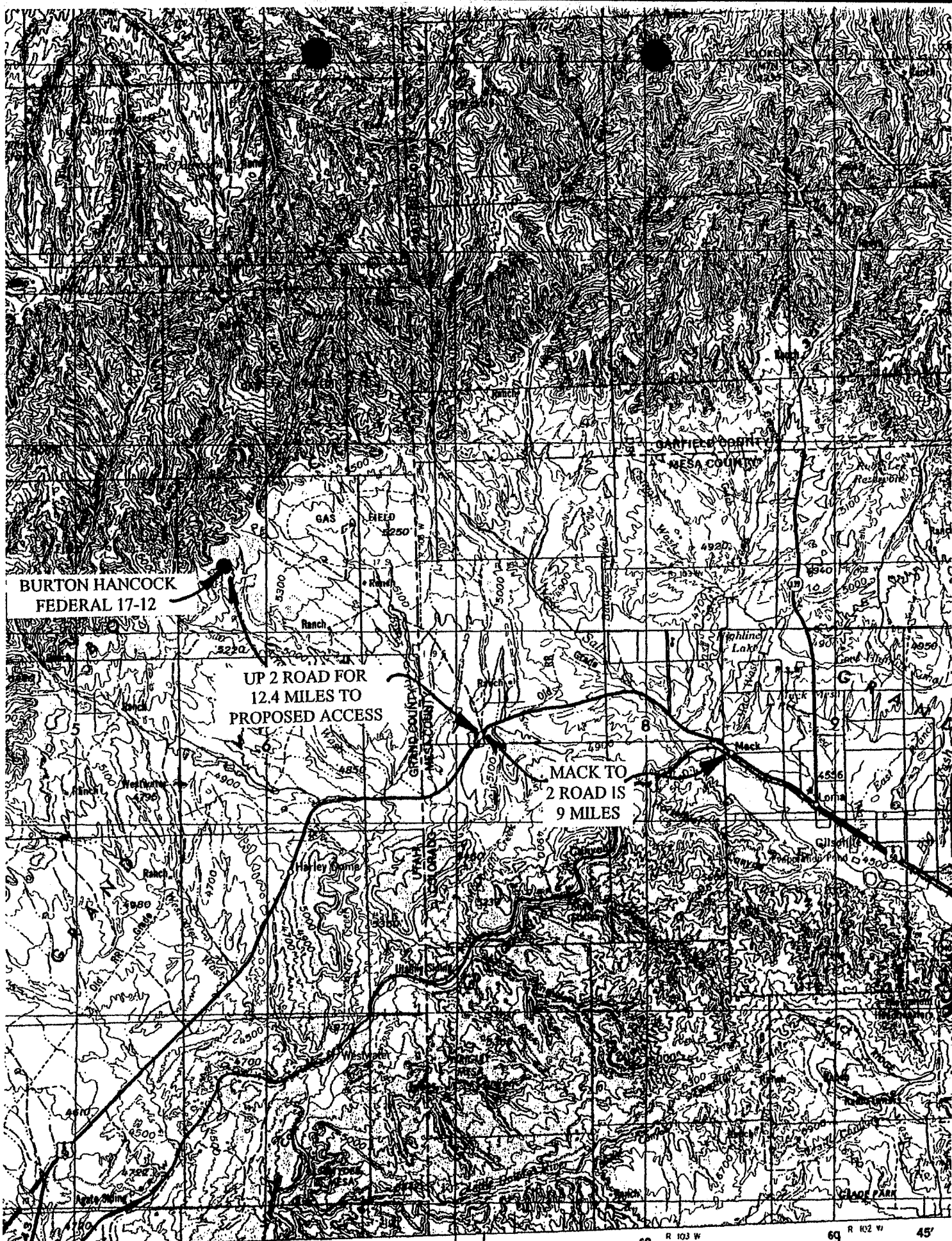
HORIZ. SCALE 1" = 50'  
VERT. SCALE 1" = 40'

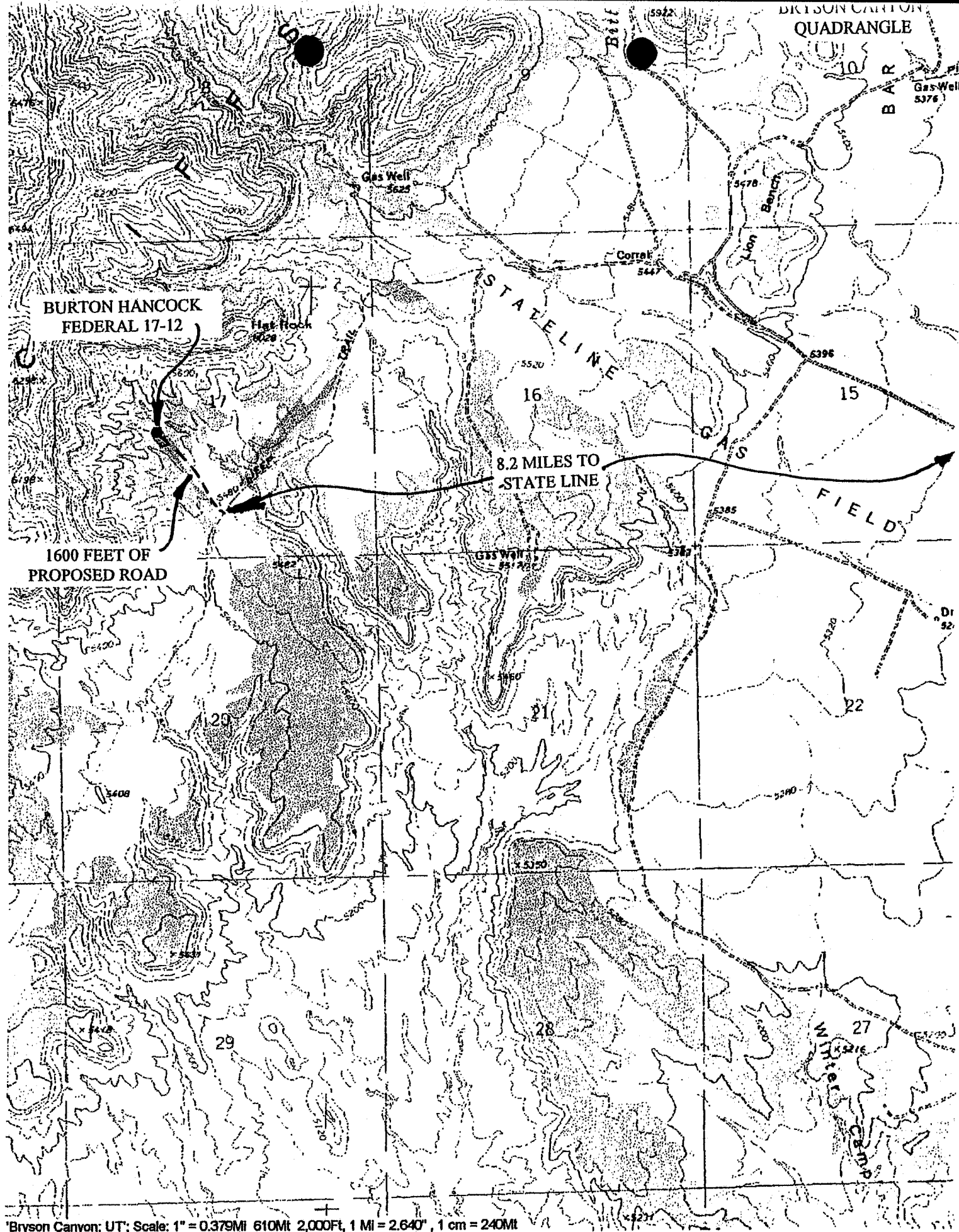
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SEP 11 2000

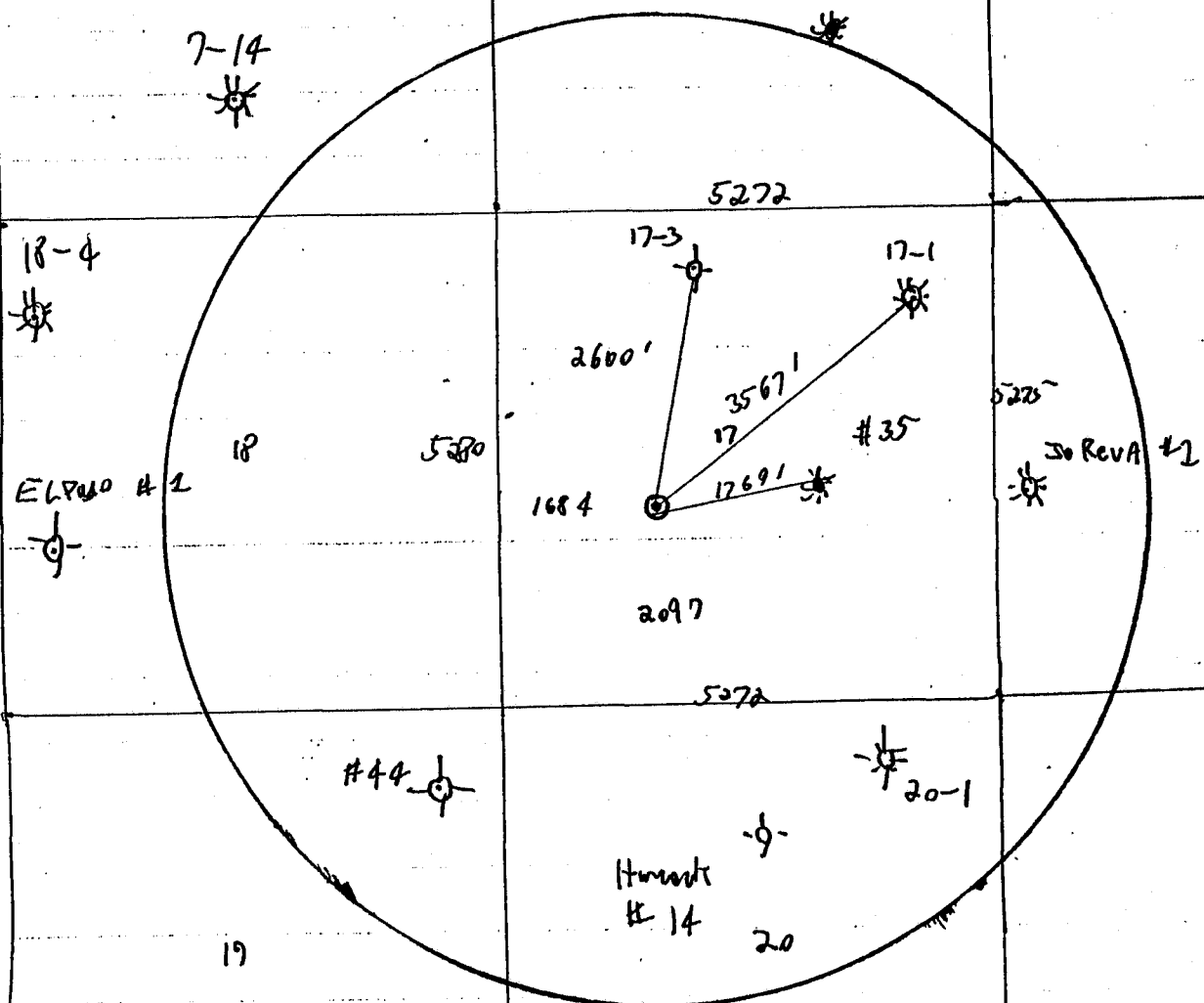
DIVISION OF  
OIL, GAS AND MINING

**D H SURVEYS INC.**  
JOB NO. 244-00-08





4 abandoned wells  
3 gas wells



## DIVISION OF OIL, GAS AND MINING



State of Utah  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

Michael O. Leavitt  
Governor  
Kathleen Clarke  
Executive Director  
Lowell P. Braxton  
Division Director

1594 West North Temple, Suite 1210  
PO Box 145801  
Salt Lake City, Utah 84114-5801  
801-538-5340  
801-359-3940 (Fax)  
801-538-7223 (TDD)

September 11, 2000

Burton W. Hancock  
PO Box 989  
Billings, MT 59103

Re: Federal 17-12 Well, 2097' FSL, 1684' FWL, NE SW, Sec. 17, T. 17 South, R. 25 East,  
Grand County, Utah

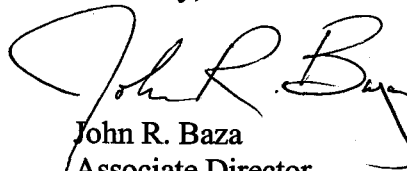
Gentlemen:

Pursuant to the provisions and requirements of Utah Code Ann. § 40-6-1 *et seq.*, Utah Administrative Code R649-3-1 *et seq.*, and the attached Conditions of Approval, approval to drill the referenced well is granted.

Appropriate information has been submitted to DOGM and administrative approval of the requested exception location is hereby granted.

This approval shall expire one year from the above date unless substantial and continuous operation is underway, or a request for extension is made prior to the expiration date. The API identification number assigned to this well is 43-019-31382.

Sincerely,



John R. Baza  
Associate Director

er

Enclosures

cc: Grand County Assessor  
Bureau of Land Management, Moab District Office

**Operator:** Burton W. Hancock

**Well Name & Number** Federal 17-12

**API Number:** 43-019-31382

**Lease:** U-05003

**Location:** NE SW      **Sec.** 17      **T.** 17 South      **R.** 25 East

### **Conditions of Approval**

**1. General**

Compliance with the requirements of Utah Admin. R. 649-1 *et seq.*, the Oil and Gas Conservation General Rules, and the applicable terms and provisions of the approved Application for permit to drill.

**2. Notification Requirements**

Notify the Division within 24 hours of spudding the well.

- Contact Carol Daniels at (801) 538-5284.

Notify the Division prior to commencing operations to plug and abandon the well.

- Contact Dan Jarvis at (801) 538-5338
- Contact Robert Krueger at (801) 538-5274.

**3. Reporting Requirements**

All required reports, forms and submittals will be promptly filed with the Division, including but not limited to the Entity Action Form (Form 6), Report of Water Encountered During Drilling (Form 7), Weekly Progress Reports for drilling and completion operations, and Sundry Notices and Reports on Wells requesting approval of change of plans or other operational actions.

**4. State approval of this well does not supersede the required federal approval, which must be obtained prior to drilling.**

DIVISION OF OIL, GAS AND MINING

SPUDDING INFORMATION

Name of Company: HANCOCK, BURTON W

Well Name: FEDERAL 17-12

Api No. 43-019-31382 LEASE TYPE: FEDERAL

Section 17 Township 17S Range 25E County GRAND

Drilling Contractor HAYES DRILLING RIG # 1

SPUDDED:

Date 01/18/2001

Time

How DRY

Drilling will commence

Reported by JOE DYKE

Telephone # 1-970-250-9770

Date 01/19/2001 Signed: CHD

**Burton W. Hancock**

100 North 27th, #650  
Billings, Montana 59101

January 19, 2001

State of Utah  
Division of Oil, Gas & Mining  
1594 W. Temple, Suite 1210  
P. O. Box 145801  
Salt Lake City, Utah 84114-5801

RE: NOTICE OF SPUD  
FEDERAL NO. 17-12  
SESW SECTION 17: T17S-R25E  
GRAND COUNTY, UTAH

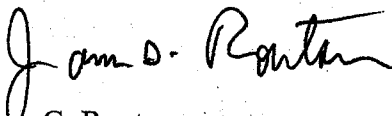
Gentlemen:

Enclosed is one sundry notice, in duplicate, notifying the Division of Oil, Gas, & Mining that the Federal No. 17-12 well was spud at 1:00 p.m. on January 17, 2001.

Should you have any questions or need further information please contact me at (406) 245-5077 or Joe Dyk at (970) 858-7546 (office) or (970) 250-9770 (cell).

Sincerely,

LONE MOUNTAIN PRODUCTION COMPANY



James G. Routson  
Consulting Petroleum Engineer

enclosures

cc: Joe Dyk

**RECEIVED**

**JAN 22 2001**

**DIVISION OF  
OIL, GAS AND MINING**



UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

SUBMIT IN  
TRIPLICATE\*  
(Other Instructions on  
reverse side)

Form Approved.  
Budget Bureau No. 1004-0135  
Expires : March 31, 1993

<b>SUNDRY NOTICES AND REPORTS ON WELLS</b> Do not use this form for proposals to drill or to deepen or reentry to a different reservoir. Use "APPLICATION FOR PERMIT-" for such proposals <b>SUBMIT IN TRIPLICATE</b>		5. LEASE DESIGNATION AND SERIAL NO. <b>UTU-05003</b>
		6. IF INDIAN, ALLOTEE OR TRIBE NAME
		7. IF UNIT OR CA, AGREEMENT DESIGNATION
1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER <input type="checkbox"/> SINGLE ZONE <input checked="" type="checkbox"/> MULTIPLE ZONE <input type="checkbox"/>		8. WELL NAME and No. <b>Federal No. 17-12</b>
2. NAME OF OPERATOR <b>Burton W. Hancock</b>		9. API WELL NO. <b>43-019-31382</b>
3. ADDRESS OF OPERATOR <b>P. O. Box 989, Billings, Montana 59103 (406) 259-9554</b>		10. Field and Pool, or Exploratory Area <b>State Line</b>
4. LOCATION OF WELL (Footage, Sec. T., R., M., or Survey Description) <b>2097' FSL, 1684' FWL Section 17-T17S-R25E (SESW)</b>		11. County or Parish, State <b>Grand County, Utah</b>

12. CHECK APPROPRIATE BOX(s) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA		
TYPE OF SUBMISSION	TYPE OF ACTION	
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Abandonment	<input type="checkbox"/> Change of Plans
<input checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Recompletion	<input type="checkbox"/> New Construction
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Plugging Back	<input type="checkbox"/> Non-Routine Fracturing
	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> Water Shut-Off
	<input type="checkbox"/> Altering Casing	<input type="checkbox"/> Conversion to Injection
	<input checked="" type="checkbox"/> Other <u>Notice of Spud</u>	<input type="checkbox"/> Dispose of Water
		(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log Form)

13. Describe the Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If a well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)\*

The Federal No. 17-12 well was spud at 1:00 p.m., January 17, 2001.

Drilled 12" surface hole to 294' with air and mist. Ran 7 jts. 8-5/8", 24# casing to 291' KB. Cemented with 150 sx. Type 3, 5% salt, cement to surface. Tested BOP's and lines to 2000 psi. Tested casing to 2000 psi.

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JAN 22 2001

DIVISION OF  
OIL, GAS AND MINING

14. I hereby certify that the foregoing is true and correct.

Signed:

*James R. Rant*

Title: Consulting Petroleum Engineer

Date: January 19, 2001

(This space for Federal or State office use)

APPROVED BY:

TITLE:

DATE:

CONDITIONS OF APPROVAL IF ANY

Title 18 U.S.C. Section 1001, make it a crime for any person knowingly and willfully to make any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

\*See Instructions of Reverse Side

**Burton W. Hancock**

100 North 27th, #650  
Billings, Montana 59101

January 24, 2001

State of Utah  
Division of Oil, Gas & Mining  
1594 W. Temple, Suite 1210  
P. O. Box 145801  
Salt Lake City, Utah 84114-5801

RE: SUNDRY NOTICE  
ENTITY ACTION FORM - FORM 6  
REPORT OF WATER ENCOUNTERED - FORM 7

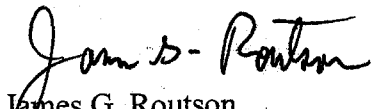
Gentlemen:

Enclosed is one sundry notice, in duplicate, advising of the current status of the Federal No. 17-12 well. Also enclosed is one Entity Action Form and one Report of Water Encountered Form, each in duplicate.

Should you have any questions or need further information please contact me at (406) 245-5077 or Joe Dyk at (970) 858-7546 (office) or (970) 250-9770 (cell).

Sincerely,

BURTON W. HANCOCK



James G. Routson  
Consulting Petroleum Engineer

enclosures

cc: Joe Dyk

**RECEIVED**

**JAN 29 2001**

**DIVISION OF  
OIL, GAS AND MINING**

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

SUBMIT IN  
TRIPLICATE\*  
(Other Instructions on  
reverse side)

Form Approved.  
Budget Bureau No. 1004-0135  
Expires : March 31, 1993

<b>SUNDRY NOTICES AND REPORTS ON WELLS</b> Do not use this form for proposals to drill or to deepen or reentry to a different reservoir. Use "APPLICATION FOR PERMIT--" for such proposals <b>SUBMIT IN TRIPLICATE</b>		5. LEASE DESIGNATION AND SERIAL NO. <b>UTU-05003</b>
		6. IF INDIAN, ALLOTEE OR TRIBE NAME
		7. IF UNIT OR CA, AGREEMENT DESIGNATION
1. TYPE OF WELL OIL <input type="checkbox"/> GAS <input checked="" type="checkbox"/> OTHER <input type="checkbox"/> WELL <input type="checkbox"/> WELL <input checked="" type="checkbox"/> SINGLE ZONE <input type="checkbox"/> MULTIPLE ZONE <input type="checkbox"/>	8. WELL NAME and No. <b>Federal No. 17-12</b>	
2. NAME OF OPERATOR <b>Burton W. Hancock</b>		9. API WELL NO. <b>43-019-31382</b>
3. ADDRESS OF OPERATOR <b>P. O. Box 989, Billings, Montana 59103 (406) 259-9554</b>		10. Field and Pool, or Exploratory Area <b>State Line</b>
4. LOCATION OF WELL (Footage, Sec. T., R., M., or Survey Description) <b>2097' FSL, 1684' FWL Section 17-T17S-R25E (SESW)</b>		11. County or Parish, State <b>Grand County, Utah</b>

12. CHECK APPROPRIATE BOX(s) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA		
TYPE OF SUBMISSION	TYPE OF ACTION	
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Abandonment	<input type="checkbox"/> Change of Plans
<input checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Recompletion	<input type="checkbox"/> New Construction
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Plugging Back	<input type="checkbox"/> Non-Routine Fracturing
	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> Water Shut-Off
	<input type="checkbox"/> Altering Casing	<input type="checkbox"/> Conversion to Injection
	<input checked="" type="checkbox"/> Other <u>Run casing</u>	<input type="checkbox"/> Dispose of Water
		(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log Form)

13. Describe the Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If a well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)\*

Drilled 7-7/8" wellbore to 3921'. Ran E-logs.

Log Tops: Dakota Silt @ 3556' (+2020'); Dakota Sand @ 3624' (+1952'); Morrison @ 3812' (+1764').

Ran 4-1/2" casing to 3899' KB and cemented with 225 sacks of Class "G", 8% caeal.

Rig released @ 9:00 p.m., 1/24/01.

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JAN 29 2001

DIVISION OF  
OIL, GAS AND MINING

14. I hereby certify that the foregoing is true and correct.

Signed: James D. Ponton

Title: Consulting Petroleum Engineer

Date: January 25, 2001

(This space for Federal or State office use)

APPROVED BY: \_\_\_\_\_ TITLE: \_\_\_\_\_ DATE: \_\_\_\_\_  
CONDITIONS OF APPROVAL IF ANY

Title 18 U.S.C. Section 1001, make it a crime for any person knowingly and willfully to make any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

\*See Instructions of Reverse Side

STATE OF UTAH  
DIVISION OF OIL, GAS AND MINING

## REPORT OF WATER ENCOUNTERED DURING DRILLING

1. Well name and number: Federal No. 17-12

API number: 43-019-31382

2. Well Location: QQ SESW Section 17 Township 17S Range 25E County Grand

3. Well operator: Burton W. Hancock

Address: P. O. Box 989

Billings, MT 59103

Phone: (406) 259-9554

4. Drilling contractor: Hays Petroleum Company Inc.

Address: 226½ E. Main Street

Rangely, CO 81648-2728

Phone: (970) 675-8491

5. Water encountered (attach additional pages as needed):

DEPTH		VOLUME (FLOW RATE OR HEAD)	QUALITY (FRESH OR SALTY)
FROM	TO		
3878'	3886'	not measured	unknown
		(wet while air drilling)	

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OIL, GAS AND MINING

6. Formation tops:

<u>Dakota Silt</u>	<u>3556'</u>	<u>(+2020')</u>
<u>Dakota Sand</u>	<u>3624'</u>	<u>(+1952')</u>
<u>Morrison</u>	<u>3812'</u>	<u>(+1764')</u>
<u>TD</u>	<u>3921'</u>	

If an analysis has been made of the water encountered, please attach a copy of the report to this form.

I hereby certify that this report is true and complete to the best of my knowledge. Date: 1/24/01

Name & Signature: James G. Routson Title: Petroleum Engineer

James G. Routson

ENTITY ACTION FORM - DQGM FORM 6

OPERATOR Burton W. Hancock

OPERATOR CODE N0548-0460

ADDRESS P. O. Box 989

PHONE NO. 406, 259-9554

Billings, Montana 59103

OPERATORS MUST COMPLETE FORM UPON SPUDDING NEW WELL OR WHEN CHANGE IN OPERATIONS OR INTERESTS NECESSITATES CHANGE IN EXISTING ENTITY NUMBER ASSIGNMENT.

ACTION CODE	CURRENT ENTITY NO.	NEW ENTITY NO.	API NUMBER	WELL NAME	WELL LOCATION					SPUD DATE	EFFECTIVE DATE
					QQ	SC	TP	RG	COUNTY		
A	99999	13027	43-019-31382	Federal No. 17-12	NE/SW SESW	17	17S	25E	Grand	1/17/01	1-17-01
COMMENTS:  1-30-01											
COMMENTS:											
COMMENTS:											
COMMENTS:											
COMMENTS:											

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JAN 29 2001

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OIL, GAS AND MINING

ACTION CODES: A - ESTABLISH NEW ENTITY FOR NEW WELL  
B - ADD NEW WELL TO EXISTING ENTITY  
C - RE-ASSIGN WELL FROM ONE EXISTING ENTITY TO ANOTHER EXISTING ENTITY  
D - RE-ASSIGN WELL FROM ONE EXISTING ENTITY TO A NEW ENTITY  
E - OTHER (EXPLAIN IN COMMENTS SECTION)

(SEE INSTRUCTIONS ON BACK OF FORM)

James D. Parker  
SIGNATURE  
Petroleum Engineer  
1/24/01  
TITLE DATE

Burton W. Hancock

100 North 27th, #650  
Billings, Montana 59101

CONFIDENTIAL

February 26, 2001

State of Utah  
Division of Oil, Gas & Mining  
1594 W. Temple, Suite 1210  
P. O. Box 145801  
Salt Lake City, Utah 84114-5801

RE: WELL COMPLETION REPORT AND LOGS  
FEDERAL NO. 17-12 WELL  
SESW SECTION 17: T17S-R25E  
GRAND COUNTY, UTAH

Gentlemen:

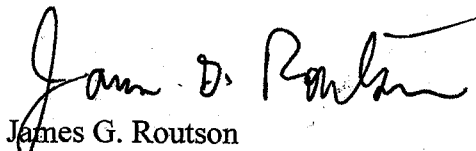
Enclosed is one well completion report, in duplicate, along with one compensated density, compensated neutron gamma ray log and one dual induction guard log for the referenced well.

**PLEASE BE ADVISED WE WOULD LIKE THIS WELL CLASSIFIED AS A TIGHT HOLE FOR THE NEXT TWELVE MONTHS.**

Should you have any questions or need further information please contact me at (406) 245-5077 or Joe Dyk at (970) 858-7546 (office).

Sincerely,

BURTON W. HANCOCK

  
James G. Routson  
Consulting Petroleum Engineer

enclosures

cc: Joe Dyk

**RECEIVED**

**FEB 28 2001**

**DIVISION OF  
OIL, GAS AND MINING**

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

SUBMIT IN DUPLICATE

(See instructions on  
reverse side)

Form approved.  
Budget Bureau No. 1004-0137  
Expires August 31, 1985

LEASE DESIGNATION AND SERIAL NO.

UTU-05003

IF INDIAN, ALLOTTEE OR TRIBE NAME

UNIT AGREEMENT NAME

FARM OR LEASE NAME

Federal

WELL NO.

No. 17-12

FIELD AND POOL, OR WILDCAT

Stateline

SEC. T., R., M., OR BLOCK AND SURVEY  
OR AREA

Sec. 17: T17S-R25E  
(SESW)

COUNTY OR  
PARISH

Grand

STATE

Utah

WELL COMPLETION OR RECOMPLETION REPORT AND LOG \*

1a. TYPE OF WELL: OIL WELL ☐ GAS WELL ☒ DRY ☐ Other ☐

b. TYPE OF COMPLETION: NEW WELL ☒ WORK OVER ☐ DEEP-EN ☐ PLUG BACK ☐ DIFF. REVR. ☐ Other ☐

2. NAME OF OPERATOR

Burton W. Hancock

3. ADDRESS OF OPERATOR

P. O. Box 989, Billings, Montana 59103

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements)\*

At surface 2097' FSL, 1684' FWL

At top prod. interval reported below

same

At total depth same

CONFIDENTIAL

CONFIDENTIAL  
PERIOD  
EXPIRED  
ON 03-05-02

14. PERMIT NO. DATE ISSUED

43-019-31382 9/17/00

15. DATE SPUDDED 1/17/01 16. DATE T.D. REACHED 1/23/01 17. DATE COMPL. (Ready to prod.) 2/5/01 18. ELEVATIONS (DF, RKB, RT, GR, ETC.)\* 5569' GL, 5576' KB 19. ELEV. CASINGHEAD 5570'

20. TOTAL DEPTH, MD & TVD 3921' 21. PLUG, BACK T.D., MD & TVD 3857' 22. IF MULTIPLE COMPL., HOW MANY\* 23. INTERVALS DRILLED BY 0-TD 24. PRODUCING INTERVAL(S), OF THIS COMPLETION—TOP, BOTTOM, NAME (MD AND TVD)\* Dakota 3624' - 3810' 25. WAS DIRECTIONAL SURVEY MADE No

26. TYPE ELECTRIC AND OTHER LOGS RUN

SP-DIL, GR-GDC-CNL, GR-CBL

27. WAS WELL CORED

No

28. CASING RECORD (Report all strings set in well)

CASING SIZE	WEIGHT, LB./FT.	DEPTH SET (MD)	HOLE SIZE	CEMENTING RECORD	AMOUNT PULLED
8-5/8"	24# J-55	291'	12"	150 sx. Type "3", 5% NaCl	(none)
4-1/2"	10.5# J-55	3899'	7-7/8"	225 sx, Class "G", 8% Cal Seal	(none)

29. LINER RECORD

SIZE	TOP (MD)	BOTTOM (MD)	SACKS CEMENT*	SCREEN (MD)	SIZE	DEPTH SET (MD)	PACKER SET (MD)
None					2-3/8"	3828"	

31. PERFORATION RECORD (Interval, size and number)

Dakota: 3628', 3632', 3682', 3686', 3694',  
3698', 3706', 3800', 3806',  
9 holes, .34" EHD

32. ACID, SHOT, FRACTURE, CEMENT SQUEEZE, ETC.

DEPTH INTERVAL (MD)	AMOUNT AND KIND OF MATERIAL USED
3628' - 3806'	500 gal. 7-1/2% MSR
	Frac with 100,000# 20-40 sand
	1058 bbls. X-linked borate fluid

33. PRODUCTION

DATE FIRST PRODUCTION		PRODUCTION METHOD (Flowing, gas lift, pumping—size and type of pump)				WELL STATUS (Producing or shut-in)	
2/3/01		Flowing				Producing	
DATE OF TEST	HOURS TESTED	CHOKE SIZE	PROD'N. FOR TEST PERIOD	OIL—BBL.	GAS—MCF.	WATER—BBL.	GAS-OIL RATIO
2/4/01	1	1"			90		
FLOW. TUBING PRESS.	CASING PRESSURE	CALCULATED 24-HOUR RATE	OIL—BBL.	GAS—MCF.	WATER—BBL.	GRAVITY (CORR.)	
86 psig	540 psig			2161			

34. DISPOSITION OF GAS (Sold, used for fuel, vented, etc.)

vented

35. LIST OF ATTACHMENTS

None

36. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records

SIGNED

James S. Porter

TITLE

Consulting Petroleum Eng.

DATE

2/19/01

\*(See Instructions and Spaces for Additional Data on Reverse Side)

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FEB 28 2001  
Joe Dyk

DIVISION OF  
OIL, GAS AND MINING

37. SUMMARY OF POROUS ZONES: (Show all important zones of porosity and contents thereof; cored intervals; and all drill-stem, tests, including depth interval tested, cushion used, flowing and shut-in pressures, and recoveries):

FORMATION	TOP	BOTTOM	DESCRIPTION, CONTENTS, ETC.
Dakota Sand	3624' 3670' 3792'	3636' 3710' 3810'	Tight gas Tight gas Gas

38. GEOLOGIC MARKERS

NAME	TOP	
	MEAS. DEPTH	TRUE VERT. DEPTH
Dakota Silt	3556'	+2020'
Dakota Sand	3624'	+1952'
Morrison	3812'	+1764'



Burton W. Hancock

100 North 27th, #650  
Billings, Montana 59101

CONFIDENTIAL

February 26, 2001

State of Utah  
Division of Oil, Gas & Mining  
1594 W. Temple, Suite 1210  
P. O. Box 145801  
Salt Lake City, Utah 84114-5801

RE: REPORT OF FIRST PRODUCTION  
FEDERAL NO. 17-12 WELL  
SESW SECTION 17: T17S-R25E  
GRAND COUNTY, UTAH

Gentlemen:

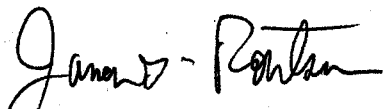
Enclosed is one sundry notice, in duplicate, advising that initial production of the referenced well began at 12:30 p.m., February 23, 2001.

**PLEASE BE ADVISED WE WOULD LIKE THIS WELL CLASSIFIED AS A TIGHT HOLE FOR THE NEXT TWELVE MONTHS.**

Should you have any questions or need further information please contact me at (406) 245-5077 or Joe Dyk at (970) 858-7546 (office).

Sincerely,

BURTON W. HANCOCK



James G. Routson  
Consulting Petroleum Engineer

enclosures

cc: Joe Dyk

**RECEIVED**

MAR 01 2001

DIVISION OF  
OIL, GAS AND MINING

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

SUBMIT IN  
TRIPLICATE\*  
(Other Instructions on  
reverse side)

CONFIDENTIAL

Form Approved  
Budget Bureau No. 1004-0135  
Expires : March 31, 1993

<b>SUNDRY NOTICES AND REPORTS ON WELLS</b> Do not use this form for proposals to drill or to deepen or reentry to a different reservoir. Use "APPLICATION FOR PERMIT--" for such proposals <b>SUBMIT IN TRIPLICATE</b>		5. LEASE DESIGNATION AND SERIAL NO. <b>UTU-05003</b>
1. TYPE OF WELL OIL <input type="checkbox"/> GAS <input checked="" type="checkbox"/> WELL <input type="checkbox"/> OTHER <input type="checkbox"/> SINGLE ZONE <input type="checkbox"/> MULTIPLE ZONE <input type="checkbox"/>		6. IF INDIAN, ALLOTEE OR TRIBE NAME
2. NAME OF OPERATOR <b>Burton W. Hancock</b>		7. IF UNIT OR CA, AGREEMENT DESIGNATION
3. ADDRESS OF OPERATOR <b>P. O. Box 989, Billings, Montana 59103 (406) 259-9554</b>		8. WELL NAME and No. <b>Federal No. 17-12</b>
4. LOCATION OF WELL (Footage, Sec. T., R., M., or Survey Description) <b>2097' FSL, 1684' FWL Section 17-T17S-R25E (SESW)</b>		9. API WELL NO. <b>43-019-31382</b>
		10. Field and Pool, or Exploratory Area <b>State Line</b>
		11. County or Parish, State <b>Grand County, Utah</b>

12. CHECK APPROPRIATE BOX(s) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA		
TYPE OF SUBMISSION	TYPE OF ACTION	
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Abandonment	<input type="checkbox"/> Change of Plans
<input checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Recompletion	<input type="checkbox"/> New Construction
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Plugging Back	<input type="checkbox"/> Non-Routine Fracturing
	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> Water Shut-Off
	<input type="checkbox"/> Altering Casing	<input type="checkbox"/> Conversion to Injection
	<input checked="" type="checkbox"/> Other <u>Report of first production</u>	<input type="checkbox"/> Dispose of Water
(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log Form)		

13. Describe the Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If a well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)\*

Initial production of the Federal No. 17-12 well into the LMPC/Bar-X Gathering System began at 12:30 p.m., February 23, 2001.

SICP 680 psi, SITP 680 psi, initial rate 500 MCFD.

**PLEASE BE ADVISED WE WOULD LIKE THIS WELL CLASSIFIED AS A TIGHT HOLE FOR THE NEXT TWELVE MONTHS.**

14. I hereby certify that the foregoing is true and correct.

Signed: *James R. Rantson*

Title: Consulting Petroleum Engineer

Date: February 26, 2001

(This space for Federal or State office use)

APPROVED BY: \_\_\_\_\_  
CONDITIONS OF APPROVAL IF ANY

TITLE: \_\_\_\_\_

DATE: \_\_\_\_\_

**RECEIVED**

Title 18 U.S.C. Section 1001, make it a crime for any person knowingly and willfully to make any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

\*See Instructions of Reverse Side

**MAR 01 2001**

**DIVISION OF  
OIL, GAS AND MINING**